

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0041-01  
Bill No.: HB 0125  
Subject: Disabilities, Licenses, Motor Vehicles  
Type: Original  
Date: January 9, 2001

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Highway Funds	(\$519,947)	(\$602,187)	(\$662,408)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$519,947)</b>	<b>(\$602,187)</b>	<b>(\$662,408)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Cities	(\$103,989)	(\$120,437)	(\$132,482)
Counties	(\$69,327)	(\$80,292)	(\$88,320)
<b>Local Government</b>	<b>(\$173,316)</b>	<b>(\$200,729)</b>	<b>(\$220,802)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Revenue** assume the Division of Motor Vehicle and Drivers Licensing could implement this legislation with existing FTE; however, a flyer will be included with each renewal notice informing the applicant of the elimination of the \$2 renewal fee. The disabled placard renewal notice and application would be revised accordingly. There should be minimal destruction costs. \$1,140 will be incurred for changes in policies, procedures and cost for flyers.

**Oversight** assumes DOR could absorb the cost of the changes in policies and procedures and production of the flyers, and has excluded such costs from the fiscal impact.

Officials from the **Department of Revenue** estimated the lost revenue from this proposal as follows:

This legislation requires the Department of Revenue (DOR) to issue permanent and temporary disabled placards at no fee. Currently, the DOR is required to collect a \$2 fee for each placard issued. According to the FY00 MTAS report we issued 66,823 new permanent disabled placards, renewed 210,725 permanent disabled placards and issued 24,072 temporary disabled placards. Statistics indicate there is a 10% growth rate each year.

<u>Renewing Permanent Placards</u>	<u>New &amp; Temporary Placards</u>
FY00 = 210,725	90,895
FY01 = 231,798	99,985
FY02 = 254,978	109,984
FY03 = 280,476	120,982
FY04 = 308,524	133,081

*If the \$2 fee is eliminated there will be a loss of revenue as follows:*

**FY02 - Renewing Placards** (All disabled placard renew in September; therefore, this would be a full years loss of revenue)

254,978 x \$2 = \$509,956 x 75% = (\$382,467) Highway  
x 15% = (\$ 76,493) Cities  
x 10% = (\$ 50,996) Counties

**FY02 - New & Temporary Placards**

109,984 x \$2 = \$219,968/12 x 10 = \$183,307 x 75% = (\$137,480) Highway  
x 15% = (\$ 27,496) Cities  
x 10% = (\$ 18,331) Counties

**FY02 Total** = (\$519,947) Highway  
                   (\$103,989) Cities  
                   (\$ 69,327) Counties

**FY03**  
 401,458 x \$2 = \$802,916 x 75% = (\$602,187) Highway  
                                   x 15% = (\$120,437) Cities  
                                   x 10% = (\$ 80,292) Counties

**FY04**  
 441,605 x \$2 = \$883,210 x 75% = (\$662,408) Highway  
                                   x 15% = (\$132,482) Cities  
                                   x 10% = (\$ 88,320) Counties

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<b>HIGHWAY FUNDS</b>			
Loss - Department of Revenue			
Fees for handicapped placards	(\$519,947)	(\$602,187)	(\$662,408)
<b>ESTIMATED NET EFFECT ON HIGHWAY FUNDS</b>	<b><u>(\$519,947)</u></b>	<b><u>(\$602,187)</u></b>	<b><u>(\$662,408)</u></b>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2002 (10 Mo.)	FY 2003	FY 2004
Loss - Cities			
Fees for handicapped placards	(\$103,989)	(\$120,437)	(\$132,482)
Loss - Counties			
Fees for handicapped placards	(\$69,327)	(\$80,292)	(\$88,320)
<b>ESTIMATED NET EFFECT ON LOCAL GOVERNMENT</b>	<b><u>(\$173,316)</u></b>	<b><u>(\$200,729)</u></b>	<b><u>(\$220,802)</u></b>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal eliminates the fee for handicapped windshield placards for permanently or temporarily disabled persons.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue  
Department of Transportation

NOT RESPONDING

Office of Administration



Jeanne Jarrett, CPA  
Director  
January 9, 2001

Governor  
Lieutenant Governor  
Secretary of State  
State Treasurer